REMARKS

Applicants thank Examiner Harbeck for the helpful interview on February 21, 2007. Participants in this interview included Inventor Donald Edward Johnson, representatives of the Assignee Lee Hoffman and Marc Hoffman, Attorney Mary Lou Wakimura and Associate Benjamin Sparrow. In the interview Applicants presented and discussed that tax valuation is proper at the moment when the donor no longer has "dominion and control" over the assets at stake. With an agency relationship present, the moment of donor authorization is the moment that the donor no longer has such "dominion and control." The present invention takes advantage of that defining moment. Thus, in the course of the interview, it was generally agreed that, relative to the present invention, the cited prior art does not disclose (i) enabling valuation of assets relative to the moment of donor authorization, independent of the transfer of the assets, and (ii) an agency relationship with the receiving entity, which facilitates the valuation. In response, Applicants have amended base Claims 1, 14 and 23 to include limitations that are comparable to the above elements. New Claims 41-50 have also been added, which include similar limitations. Thus, it is believed that all Claims are now in condition for allowance, and reconsideration is respectfully requested.

Claims 27-29 and 31-40 have now been cancelled to expedite consideration of the remaining claims. Applicants reserve the right to file these claims and the subject matter of the same in a continuation or other patent application.

Base Claims 1, 14 and 23 have now been amended, with regard to the aforementioned Examiner Interview, to further make clear what Applicants regard is the subject matter of the invention. The amended claims now include the limitations, in the same or similar language, that "donor authorization" is such that "valuation of each donor selected asset is defined (a) as a function of moment of the donor authorization of the gift independent of transfer of each selected asset to the receiving entity and (b) as a result of an agency relationship with the receiving entity." Support for this amendment is found at least on page 18 lines 14-18, page 21 lines 1-10, and page 26 lines 21-29 of the specification as originally filed. With this amendment, no new matter is added; acceptance is respectfully requested.

New Claims 41-50 have now been added. Support for these claims is found generally in Fig. 2 and page 18 lines 14-18, page 21 lines 1-10, and page 26 lines 21-29 of the specification as originally filed. With this amendment, no new matter is added; acceptance is respectfully requested.

Distinctions from *In re Venner*

In the instant Office Action, Examiner responds to Applicant's previous Amendment, stating that "it has been held that broadly providing an automatic or mechanical means to replace a manual activity, which accomplished the same result, is not sufficient to distinguish over the prior art," citing In re Venner, 262 F.2d 91, 95, 120 U.S.P.Q. 193, 194 (CCPA 1958). However, the holding in In re Venner is not applicable to the present Application. Venner concerned an invention that "accomplished the same result" as a manual activity. The Venner patent claimed a machine that withdraws a core from a mold according to a timer set by a user. In re Venner at 192. The machine merely performed the same action that was previously done by a person, using well-known machinery, and accomplished only the same result as the manual action. Id. at 195.

The present invention as now claimed in base Claims 1, 14, and 23 employs new, nonobvious techniques to accomplish results that are distinct from the results of the prior art. For example, prior art methods of donating appreciated assets, as illustrated in Fig. 1, require several steps of communication between several entities. The donor 100 must analyze assets and mediate the transfer of funds between a broker account 102 and a donor advised organization (DAO) 104, a process taking between days and weeks. Results from this prior art method are (i) the donor must undergo a complex and time-consuming process, communicating with multiple agents; (ii) valuation of the assets occurs at the time of the transfer of the assets; and (iii) due to the price fluctuation of appreciated assets over the long time period before the transfer, it is impossible to reliably donate a specified value, resulting in donations and tax benefits that are inaccurate.

In contrast, embodiments of the present invention provide an accurate valuation of donated assets, which is accomplished in part by valuating the assets relative to when the donor authorizes the gift (asset transfer). This moment of authorization may be independent from the

time at which the transfer occurs. Where, previously, valuation occurred upon physical transfer of an asset, the present invention enables valuation to occur upon authorization. An agency relationship with the receiving entity enables such valuation, at least because the transfer may become irrevocable upon donor authorization (see Specification, page 21, lines 1-10). Results from the present invention are (i) the donor works with a single interface to view asset portfolio information and control the transfer process, and (ii) a donor can initiate a transfer of assets instantly, resulting in donations and tax benefits that accurately match a desired donation. Prior art fails to suggest these results because the invention results are not merely the outcome of automating the prior art method. Thus, the precedent of <u>In re Venner</u> does not apply.

<u>Rejection of Claims 1-26 under 35 U.S.C. § 103</u>

Claims 1-5 and 7-24 have been rejected under 35 U.S.C. 103(a) as being unpatentable over Keating (hereafter Keating), "The New Business of Giving," Peter Keating, Beverly Goodman. Money. New York: 1998. Vol. 27, Iss. 13; pg. 92, 3 pgs., in view of Charitable Gift Fund (hereafter CGF), "Charitable Gift Fund: Resource Center – Securities Donation Tool," http://web.archive.org/web/20000229084733/www301.charitablegift.org/resource/calculator/index.shtml.

Embodiments of the present invention, as now recited in base Claims 1, 14, and 23, as well as new base Claims 41 and 46, enable a donor to select assets from a subject donor investment portfolio for transferring as a gift to a receiving entity, such as a charity. Embodiments further enable the donor to authorize gifting of the selected assets. The donor authorization is enabled such that valuation of the selected asset is relative to the moment of authorization, which may be independent of the transfer itself (Specification, page 18, lines 14-18). The valuation is also defined by an agency relationship with the receiving entity (*id.* at page 26, lines 23-29). This agency relationship enables a gift to be irrevocable upon receipt of authorization by the donor, thereby allowing the valuation at the moment of donor authorization (*id.* at page 21, lines 1-10). As a result, the donor may transfer assets as a gift to a charity and receive an immediate, accurate and predictable tax valuation.

Keating describes a service for clients to integrate donations with financial planning and offers vehicles for charitable giving. Keating reports that "financial service firms" are

"integrating clients' donations with their financial planning, helping them with their tax write-offs and coaching them in estate reduction" (Keating, second paragraph). Keating also describes a "pool" into which a donor can deposit his or her assets. Once the deposit is made, the donor can receive a tax donation (Keating, fifth paragraph).

CGF describes a securities donation tool. Following the provided instructions, a user can enter a proposed donation amount, and the tool responds by generating a chart that compares the after-tax benefit of making such a donation (CGF, paragraphs 1 and 2). CGF merely provides this calculation, and is dependent on the user to analyze and identify assets, derive information on the assets and the user's financial state, and enter this information into the calculation tool.

No combination of the teachings of Keating and CGF suggests the present invention. In particular, the references fail to teach a means of donation where valuation of a donor's asset occurs as a function of the moment of the donor's authorization of the gift. The references also fail to teach an agency relationship with an entity receiving the donation, where the valuation is defined as a result of this agency relationship. In particular, Keating describes a pool into which a donor can deposit cash or stock. The donor can "deduct" the donation when the deposit is made (Keating, fifth paragraph). The donor must therefore wait until the donation is transferred into the pool before receiving a tax deduction. Due to this delay, the value of the assets may change over time, resulting in a donation and tax benefits that fail to meet the donor's expected values. In contrast, a donor employing the present invention may receive a tax valuation of assets at or relative to the moment of donor authorization of the gift. As a result, the value of the donor's gift, as well as the corresponding tax benefit, is accurate to the donor's expectations.

Claims 2-5, 7-13, 15-22 and 24 depend from one of base Claims 1, 14 and 23 and thus the foregoing applies. As a result, the § 103 rejection of Claims 1-26 cannot stand, and Applicants respectfully request reconsideration.

Claim 6 has been rejected under 35 U.S.C. § 103 as being unpatentable over Keating in view of CGF and further in view of the reference "The Fidelity Charitable Gift Fund Program Circular" ("Fidelity"). Claim 6 depends from base Claim 1 and thus the foregoing applies. Further, Fidelity does not add to Keating and CGF the aforementioned tax valuation and agency relationship as claimed. Fidelity therefore does not make obvious the present invention as recited in Claim 6.

Claims 25 and 26 have been rejected under 35 U.S.C. § 103 as being unpatentable over Keating in view of CGF and further in view of the reference "America's Charities Selects DonorNet as Exclusive E-Commerce Provider," Business Wire, New York: June 1, 1999, pg. 1 ("Editors"). Claims 25 and 26 depend from base Claim 1 and thus the foregoing applies. Further, Editors does not add to Keating and CGF the aforementioned tax valuation and agency relationship as claimed. Editors therefore does not make obvious the present invention as recited in claims 25 and 26, and Applicants respectfully request the § 103 rejection of Claims 25 and 26 be withdrawn.

Claims 27-29 and 31 have been rejected under § 103 as being unpatentable over Merrell ("Tip of the Week: Give to Charity, Not the Taxman," The Guardian (pre-1997 Fulltext)). Claims 32-35 have been rejected under § 103 in view of Anonymous ("How to Give More For Less," Management Today. London: Aug. 1998, pg. 76, 2 pgs). Claims 36-37 have been rejected under 35 U.S.C. § 103 in view of Drache ("Hedge Fund Gift Sparks Furor," National Post. Don Mills, Ont.: Dec 7, 1998. pg C.8). Claims 38-40 have been rejected under § 103 in view of Halverson ("Make gifts grow before the go to charity." Christian Science Monitor. Boston, Mass.: Dec 6, 1999. pg 20). Claims 27-40 are now cancelled. Thus these rejections are no longer warranted and removal is respectfully requested.

New Claims 41-50 are directed to computer implemented methods and computer systems for providing transfers of assets from a donor to a receiving entity. In particular, the New claims include the limitations, in the same or similar language, of "enabling donor authorization of the gift of the selected assets such that tax valuation of each donor selected asset is defined (i) as a function of moment of the donor authorization of the gift independent of transfer of each selected asset to the receiving entity and (ii) as a result of an agency relationship with the receiving entity." Thus, New claims 41-50 are allowable at least for the same reasons as stated above with respect to Base claims 1, 14 and 23.

CONCLUSION

In view of the above amendments and remarks, it is believed that all claims are in condition for allowance, and it is respectfully requested that the application be passed to issue. If the Examiner feels that a telephone conference would expedite prosecution of this case, the Examiner is invited to call the undersigned.

Respectfully submitted,

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